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TAGS: <u>IAEA KNNP TRGY AORC ENRG PTER KN XP</u>
SUBJECT: IAEA: GUIDANCE FOR USDEL TO IAEA BOARD OF
GOVERNORS (BOG) MEETING, SEPTEMBER, 2009

- 11. Department appreciates Missions analysis and recommendations for the September 2009 International Atomic Energy Agency (IAEA) BOG meeting (Ref A). Instructions for USDEL are provided in paragraphs 2-10 below and follow the IAEA provisional agenda in GOV/2009/58. Cleared U.S. position papers, which may include statements (Ref B), unless otherwise noted below, have been emailed separately by IO/GS (formerly IO/T) to UNVIE on 09/03/2009.
- 12. AGENDA ITEM 1 STATEMENT BY THE DIRECTOR GENERAL (DG)

The DGs statement will cover all issues on the agenda and frame the Iran report. UNVIE reported that ElBaradei plans to use his General Conference (GC) opening address for a major overview of global issues, and expects his Board remarks to be comparatively low-key. USDEL will be particularly attuned to how the DG characterizes Iranian cooperation and what emphasis he gives issues related to possible military dimensions. USDEL will also listen for comments by the DG on the importance of nuclear security, which could reinforce this as a core IAEA function.

The statement will be available after delivery. No U.S. action necessary. USDEL should fax or scan/e-mail the DG s statement to IO immediately following delivery.

13. AGENDA ITEM 2 APPLICATION FOR MEMBERSHIP OF THE AGENCY

ISSUE: The Board will be requested to consider one application for IAEA membership Cambodia. Cambodia joined the IAEA in 1958, but withdrew in 2003 owing over 200,000 euros in assessed contributions. In rejoining the Agency, Cambodia has agreed to repay its previous arrears.

- U.S. POSITION: USDEL should join consensus to recommend that the GC approve Cambodias application for membership and submit the respective draft resolutions for the Conferences consideration. USDEL is authorized to deliver the brief statement contained in the U.S. position paper (Ref B) welcoming Cambodia and urging it to adopt the highest international standards for nuclear safeguards, safety, and security.
- $\underline{\ }^{1}4$. AGENDA ITEM 3 MEASURES TO STRENGTHEN INTERNATIONAL COOPERATION IN NUCLEAR, RADIATION, AND TRANSPORT SAFETY AND WASTE MANAGEMENT

ISSUE: The Board will have before it the report by the DG, contained in GOV/2009/48, providing updates on IAEA activities in nuclear, radiation, transport, and waste safety. The BOG will be asked to take note of the report and forward it to the GC.

The Report updates the BOG and the GC on Agency activities

undertaken pursuant to GC resolutions on measures to strengthen international cooperation in nuclear, radiation, transport, and waste safety. In addition, the Report includes a number of cross-cutting areas, including support for Member States embarking on nuclear power programs, regulatory effectiveness, knowledge, networks, civil liability for nuclear damages, the Agencys safety standards, and education and training.

- U.S. POSITION: USDEL should join consensus in taking note of the DGs Generals Report Measures to strengthen international cooperation in nuclear, radiation, and transport safety and waste management. USDEL is authorized to deliver the statement contained in the U.S. position paper (Ref B), modified as USDEL views appropriate, regarding the global nuclear safety regime.
- 15. AGENDA ITEM 4 NUCLEAR SECURITY: MEASURES TO PROTECT AGAINST NUCLEAR TERRORISM

ISSUE: The Board will have before it two documents: the Nuclear Security Report 2009 (GOV/2009/53) and the Nuclear Security Plan 2010-1013 (GOV/2009/54). The Board will also review a third, much longer document intended for publication on the internet, titled, Implementation of the IAEA Nuclear Security Plan 2006-2009: Progress Report.

U.S. POSITION: USDEL should join consensus in the following BOG actions as recommended in the report: take note of the report; transmit the report to the GC with a recommendation that Member States contribute on a voluntary basis to the Nuclear Security Fund (NSF); call upon states to ratify the 2005 CPPNM Amendment and promote its early entry into force; request the IAEA strengthen its relationship with the 1540 Committee and include a section in next years report on its agreed approach; implement the noted international nuclear security instruments, paramount among which is INFCIRC/225/rev.4; underscore the vital importance of revising INFCICR/225/rev.4 by early 2010; invite states to make full use of the assistance available for this purpose by participation in the Agencys nuclear security program; and invite all states to participate in the Illicit Trafficking Database program on a voluntary basis. USDEL should also reiterate the U.S. commitment to the IAEAs nuclear security program.

USDEL should state that the IAEA should continue to emphasize the need for a cohesive approach to safety, security, and safeguards as critical enabling factors in the peaceful use of nuclear energy. This is an issue of global importance. USDEL should also urge the IAEA to continue consideration on how concomitantly to ensure appropriate levels of physical protection and safety.

USDEL is authorized to deliver statement contained in the U.S. position paper (Ref B), which takes note of these reports and underscores the importance of international cooperation and nuclear security. Delegation may make modifications it views as appropriate, so long as the points identified above are delivered.

16. AGENDA ITEM 5 STRENGTHENING THE AGENCYS ACTIVITIES RELATED TO NUCLEAR SCIENCE, TECHNOLOGY, AND APPLICATIONS

ISSUE: The Board will have before it and be asked to send to the GC a report by the DG (GOV/2009/49) on a number of Agency activities related to nuclear science, technology, and applications.

At the March 2006 Board meeting, the United States joined the other members of the Friends of Nuclear Energy (FONE) Group (Russia, Japan, South Korea, China, India, and Canada) in calling for the Nuclear Technology Review to be divided into two new documents, one dealing with nuclear energy and the other with non-energy applications. These documents represent the Secretariats response to the GC

NUCLEAR POWER APPLICATIONS, STATUS, AND PROSPECTS OF NUCLEAR POWER

U.S. POSITION: USDEL should join consensus in the BOG to send the report to the GC. During Board discussion, the USDEL should reaffirm United States support for nuclear power as an important and clean energy source and for the expansion of nuclear power in developing countries, and it should note President Obamas call for a new framework for peaceful nuclear cooperation.

Non-Power Nuclear applications for health, agriculture, food, and environment

U.S POSITION: These programs are non-controversial, and the USDEL may join in consensus to approve this part of GOV/2009/49 and send it to the GC.

USDEL is authorized to deliver statement contained in the U.S. position paper (Ref B), modified as USDEL views appropriate, which underlines the importance of developing peaceful nuclear power without increasing the risks of proliferation, while highlighting the positive uses of non-power applications.

- 17. AGENDA ITEM 6 NUCLEAR VERIFICATION
- (A) THE CONCLUSION OF SAFEGUARDS AGREEMENTS AND OF ADDITIONAL PROTOCOLS

ISSUE: The BOG will have before it for approval a Comprehensive Safeguards Agreement (CSA) (GOV/2009/46) and an Additional Protocol (AP) (GOV/2009/47) for Vanuatu, a CSA (GOV/2009/60) and an AP (GOV/2009/61) for the Republic of the Congo, and a CSA (GOV/2009/68) and AP (GOV/2009/69) for Kenya. All conform to the standard texts contained in GOV/INF/276/Mod.1 and INFCIRC/540(Corrected), respectively. The safeguards agreements for all three states also contain a small quantities protocol, which conforms to the new model adopted by the Board in 2005. USDEL should support safeguards agreements and Additional Protocols, provided they conform to the respective models. Mission should advise if other safeguards agreements and Additional Protocols are submitted in advance of the BOG.

- U.S. POSITION: USDEL should join consensus in approving any safeguards agreements or Additional Protocols that conform to the standard models, and is authorized to deliver the statement contained in the U.S. position paper (Ref B) urging all NPT states that have not yet done so to conclude and bring into force the required safeguards agreements and Additional Protocols, which represent the new safeguards standard. In advancing the position that a comprehensive safeguards agreement plus an additional protocol is necessary for effective implementation of safeguards, Post should be careful not to suggest that adoption of an Additional Protocol is legally required under the NPT. USDEL may also address the slow pace in adoption of the revised Small Quantities Protocol (SQP), which as of the end of 2008 was in force in only 19 of 80 countries with SQPs.
- (B) STAFF OF THE DEPARTMENT OF SAFEGUARDS TO BE USED AS AGENCY INSPECTORS

ISSUE: The Board is asked to approve, as safeguards inspectors, a number of staff members of the Agency listed in document GOV/2009/59. The IAEA Secretariat is required to obtain Board approval for lists of Agency staff to be used as safeguards inspectors. The list of proposed inspectors became available on August 28, 2009. U.S. review of the list will not be complete before the Board meeting on September 7. However, like all Member States, the United States has a separate opportunity after Board approval of the list to reject individuals on the list for

designation as inspectors to the United States. Objection within three months prevents designation, and the United States can also revoke designation at any time. Hence, the timing of the lists release does not affect the U.S. ability to complete its internal reviews before acceptance of the inspectors named.

- U.S. POSITION: USDEL should join consensus on the adoption of the list. No statement is needed.
- (C) REPORT BY THE DG ON THE APPLICATION OF SAFEGUARDS IN THE DEMOCRATIC PEOPLES REPUBLIC OF KOREA (DPRK)

ISSUE: The Board will have before it and be asked to send to the GC, in document GOV/2009/45, a report from the DG on verification and monitoring in the Democratic Peoples Republic of Korea. The Secretariat will submit a written report on the implementation of safeguards in North Korea to the BOG and the GC. The report will cover developments since the September 2008 session of the GC on the implementation of the ad hoc monitoring and verification arrangement in the DPRK, including the DPRKs notification on April 14, 2009, of its decision to cease all cooperation with the IAEA, request IAEA inspectors to remove containment and surveillance equipment from the facilities at Yongbyon, and require the inspectors to leave the DPRK. Given the termination of the IAEAs monitoring and verification activities and the departure of IAEAs inspectors, we expect the DGs introductory remarks on the DPRK to be brief. At the June Board, Director General ElBaradei had expressed deep regret regarding the DPRKs announcement of a second nuclear test, calling it a wrong step in the wrong direction and called on all parties to continue to work for a solution through diplomatic means that would bring the DPRK back to the NPT.

U.S. POSITION: The United States will not accept North Korea as a nuclear-weapon state and remains committed to the September 2005 Joint Statement, the core objective of which is the verifiable denuclearization of the Korean Peninsula in a peaceful manner. The United States wants North Korea to return to the Six-Party Talks and honor its commitments to abandon all nuclear weapons and existing nuclear programs and return to the NPT and IAEA safeguards. The United States remains open to engaging North Korea, including bilaterally on the basis of the 2005 Joint Statement and in support of the Six-Party Talks. North Korea must commit to irreversible steps leading to complete and verifiable denuclearization. The United States believes that the IAEA has an important role to play in that process.

USDEL is authorized to deliver statement contained in the U.S. position paper (Ref B), which expresses regret at North Koreas refusal to return to the Six-Party Talks, reiterates U.S. commitment to those Talks, and to the objectives of the September 2005 Joint Statement under which North Korea committed to abandoning its nuclear weapons and existing nuclear programs, and returning to the NPT and IAEA safeguards.

(D) IMPLEMENTATION OF THE NPT SAFEGUARDS AGREEMENT AND RELEVANT PROVISIONS OF SECURITY COUNCIL RESOLUTIONS 1737 (2006), 1747 (2007), 1803 (2008,) and 1835 (2008) IN IRAN

ISSUE: The Board will discuss the DGs latest report on the status of the implementation of the IAEAs Safeguards Agreement in Iran, Irans compliance with UN Security Council resolutions 1737, 1747, 1803, and 1835, and the Secretariats investigation into Irans nuclear activities. The DGs report will be contained in document GOV/2009/55.

- U.S. POSITION: Instructions will be sent septel.
- (E) IMPLEMENTATION OF THE NPT SAFEGUARDS AGREEMENT OF SYRIA

ISSUE: The Board will discuss the DGs latest report on the status of the implementation of the IAEAs Safeguards Agreement in Syria. The DGs report will be contained in document GOV/2009/56.

- U.S. POSITION: Instructions will be sent septel.
- 18. AGENDA ITEM 7 OTHER MATTERS ARISING FROM THE FIFTY-FIRST (2007) AND FIFTY-SECOND (2008) REGULAR SESSIONS OF THE GENERAL CONFERENCE
- (a) Application of IAEA safeguards in the Middle East

ISSUE: The Board will take note of the DGs annual report on the Application of Safeguards in the Middle East (GOV/2009/44) prepared pursuant to the 2008 GC Middle East Safeguards (MES) resolution (GC(52)/RES/15).

- U.S. POSITION: The U.S. has been heavily engaged with EU and like-minded countries in pursuing a new consensus approach to Middle East issues in the BOG and GC. The U.S. has also been reaching out to the G-77/NAM regarding this issue. Instructions will be sent septel.
- (b) Personnel matters
- (i) Staffing of the Agencys Secretariat

ISSUE: The DGs report is contained in GOV/2009/50.

U.S. POSITION: USDEL may join consensus in taking note of the information contained in this report. USDEL should note that the forecast separations over the next seven years could become problematic and prevent the IAEA from efficiently and effectively accomplishing its stated goals. The early identification of potentially critical staffing shortfalls, especially in the Safeguards area, should allow for the timely implementation of corrective solutions.

(ii) Women in the Secretariat

ISSUE: The DGs report is contained in GOV/2009/51.

U.S. POSITION: USDEL may join consensus in taking note of the information contained in this report; however, USDEL should require that the Secretariat include a section in future reports on specific IAEA initiatives and efforts to actively recruit women to rectify the gender imbalance and improve the representation of women in the Secretariat in the Professional and higher categories.

USDEL should urge the IAEA to do more to appoint more well-qualified women into the Professional and higher categories. USDEL should encourage the IAEA to raise the awareness of this important issue and improve its recruitment of women, especially at the senior staff level.

19. AGENDA ITEM 8 Tribute to the DG

ISSUE: The Board is asked to recommend a Tribute to Dr. Mohammed ElBaradei resolution to the GC. This hortatory resolution recognizes ElBaradeis contributions, recalling the award of the 2005 Nobel Peace Prize to the IAEA and DG, and confers on ElBaradei the title Director General Emeritus of the International Atomic Energy Agency. Previous DGs Eklund (in 1981) and Blix (in 1997) also received the title.

U.S. POSITION: USDEL should join consensus on recommending the resolution to the GC and is authorized to deliver the North American regional group statement contained in the U.S. position paper (Ref B) expressing appreciation for the DGs service to the IAEA.

ISSUE: At the June 2009 BOG, proposals on multilateral fuel assurances were formally presented to the Board for the first time (Ref B). At the Board, traditional critics of the fuel assurances concept pivoted from rhetoric in defense of rights to raising specific implementation-related concerns that needed to be addressed and specific changes that should be made in the proposals. A number of G-77 countries expressed interest in the concept of fuel assurances.

In order to maintain the forward momentum from the June Board, we have pursued a three-fold strategy: engaging key skeptical states, initiating consultations with donors to seek a common view on acceptable release criteria, and consulting with the IAEA Secretariat to plan realistic outcomes for the September BOG and beyond. We have encouraged the Secretariat to table a discussion paper capturing implementation concerns raised to date, which would form the basis of continued discussions at the September Board. We understand that the Secretariat will present such a paper. Consultations with the IAEA Secretariat indicate it is not optimistic about a positive result at the September BOG. The Secretariat failed to place fuel assurances on the September BOG agenda, and the issue is therefore relegated, once again, to Any Other Business.

U.S. POSITION: It does not appear realistic to expect a favorable decision in September on either of the proposals submitted to the Board in June. Indeed, we could not accept as written the Proposal by the Director General for the Establishment of an IAEA LEU Bank because its release criteria are inadequate. Our goal is to keep the issue alive and to encourage continued discussion, with a view towards Board approval of the Russian LEU reserve at the November BOG and possible action on other concepts in 12010. We wish to make clear that we regard the assurance of supply issue as very much alive and want to deal with any misunderstandings by Member States. USDEL is authorized to deliver the statement contained in the U.S. position paper (Ref B), modified as USDEL views appropriate, which welcomes the discussion to date on multilateral approaches to the fuel cycle, calls for agreement on the Russian proposal this year, and sets a target to adopt an amended IAEA fuel bank proposal in March 2010. CLINTON